



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-9000

THE GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

October 21, 1999

99-33

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Consolidated Ginnie Mae Guide, HUD Handbook 5500.3

During the month of November 1999, Ginnie Mae will be distributing a new consolidated Ginnie Mae Mortgage-Backed Securities Guide ("Guide") which incorporates both the Ginnie Mae I and Ginnie Mae II Programs. This Guide release is in response to your request for a clearer and more user-friendly document. The new Guide includes all prior All Participants Memoranda ("APMs") through APM 99-29, which includes all previously announced policy changes. Previous APMs which provide for temporary policy changes, such as rationing of commitment authority (APM 99-25), and altering of cut-off dates for year 2000 planning (APM 99-27), are not included in this Guide.

The new Guide will be effective November 1, 1999, and for all new pools with an issue date after November 1, 1999.

This new Guide contains a clarification of Ginnie Mae's policy with respect to the buy out of delinquent loans from pools without written permission from Ginnie Mae (Chapter 18-1(B)). A loan must be delinquent for four consecutive months (at least one missed payment for four consecutive months) or a payment has not been received for three consecutive months before it can be purchased from the pool.

There is also a procedural change from previous Guides that affects only the Ginnie Mae II program. The new Guide provides that each new issue of Ginnie Mae II pools and loan packages will be governed by a separate Guaranty Agreement similar to the Ginnie Mae I program (Appendix III-22 through Appendix III-25, inclusive). Previously, there were no separate guaranty agreements for Ginnie Mae II pools and loan packages, as the terms and provisions of the Ginnie Mae II Guide constituted a contractual agreement between the issuer and Ginnie Mae for each such issue. This procedural change requires no new documents to be signed or submitted to the document custodian or to Ginnie Mae.

The format and structure of this new combined Guide is similar to the previous Ginnie Mae I Guide, with the addition of three new chapters. Two of the new chapters provide for unique aspects of the Ginnie Mae II program: Chapter 22, "Converting Ginnie Mae I pools to Ginnie Mae II Pools"; and Chapter 26, "Adjusted Payment Mortgage Pools and Loan Packages". A new chapter has been added to the end of the Guide (Chapter 34), which provides guidance to issuers applying for disaster assistance or for interest reduction payments pursuant to the Soldiers' and Sailors' Civil Relief Act. All Participants Memoranda will continue to be issued announcing availability of assistance for specific events, but the administrative provisions and required forms are now in the Guide. Future APMs announcing available assistance will provide appropriate instructions to issuers for using the new Guide chapter.

The requirements common to all programs are set out in Chapters 1 through 23. They are followed by individual program Chapters 23 through 33, which include any variations or additional requirements to the common requirements. Chapter 34 provides for special assistance in the event of disasters pursuant to the Soldiers' and Sailors' Civil Relief Act. The common requirements logically progress from becoming a Ginnie Mae issuer, to issuing a pool, to various administrative tasks associated with the issuance of Ginnie Mae Mortgage-Backed Securities.

The new Guide will be available November 1, 1999, on the Ginnie Mae homepage on the Internet at www.ginniemae.gov. We hope these enhancements meet your needs and provide a better understanding of Ginnie Mae's programs.

Ginnie Mae invites user feedback on any facet of the new Guide. Comments may be provided to your Single-Family/Manufactured Housing Account Executive at (202) 708-1535 or Multifamily Account Executive at (202) 708-2043.